

Your Water Connection

News & Tips for Tucson Water Customers

New Water Rates Take Effect October 29

In early September, following a Public Hearing, Tucson's Mayor and Council adopted new water rates for all Tucson Water customers. The new rates become effective on October 29.

Details inside –

September 2001

<http://www.ci.tucson.az.us/water/>

New Water Rates Take Effect October 29

On October 29, Tucson's water rates will increase by 4.3% overall, but some customers will see a decrease in their monthly bills. About 50% of our residential customers, those who use between 8 and 19 Ccf per month, will see a slight reduction in their water bill. Higher users will see increases in their water bills. Commercial and Industrial customers will also see increases in their monthly bills. (One Ccf is equal to 748 gallons)

Customers who use less than 8 Ccf will see a rise in their water costs. That's because the new rates reflect a charge for the 2nd Ccf that formerly was included in the monthly service charge. This continues the reduction begun last year to ensure that no water is perceived as "free". Tucson Water plans to remove the final Ccf in the usage allowance next year.

Reducing Costs Before Raising Rates

Before Tucson Water proposes that water rates be increased, the Utility seeks cost reductions. Cost reductions totaling \$3.1 million over five years were incorporated into our five-year financial plan which the Mayor and Council reviewed and approved in May. Nevertheless, the total requirements of the Utility could not be met by these reductions plus revenues expected under current rates, so revenue increases were also included in the plan approved by the Mayor and Council. The basic fact is that the Utility's cost increases outweigh the cost reductions.



What Costs So Much?

The major cost increases facing Tucson Water fall into four areas: power costs, the cost of Colorado River water, water system improvements, and inflation.

Power costs are increasing for two reasons: first, rates for electricity and natural gas are

Residential Water Usage	Charge per Ccf before October 29	Charge per Ccf beginning October 29	Difference
1 Ccf	\$0.00	\$0.00	No Change
2 Ccf	\$0.00	\$1.11	+ \$1.11
3 - 15 Ccf	\$1.33	\$1.11	(- \$0.22)
16 - 30 Ccf	\$2.99	\$3.34	+ \$0.35
31 - 45 Ccf	\$3.87	\$4.58	+ \$0.71
Over 45 Ccf	\$5.85	\$6.60	+ \$0.75

rising and, second, more power is required to operate the Clearwater Facility than is required to pump groundwater well fields. Power costs are expected to be about \$1.2 million more in the fiscal year beginning July 2001 than in the prior year.

Tucson Water will be purchasing more **Colorado River water** from the State agency that runs the Central Arizona Project. This water is recharged at the Clearwater Facility, creating the blend that makes up about 10% of our daily water use. The amount of blended water we use will increase over the next few years. At the rates the State agency is currently expected to charge, we will be paying approximately \$4 million



more per year for this water by FY 2006 than we are paying today.

Water revenue bonds, approved by voters in 1994 and 2000, finance the major portion of our annual capital budget. The **principal and interest** on these bonds is paid with water revenues. These debt service payments will increase by approximately \$2.0 million each year over the next five years. We need this capital program to replace old pipelines, reservoirs, and other components of the system, build new facilities to improve the quality of the existing water system, and increase our use of reclaimed water.

Like all other businesses, Tucson Water's costs are increased by **inflation** and our revenues must be sufficient to cover its rise.

Citizens Help Set Water Rates

The rate-setting process for 2001 included a new citizens' advisory group. A Customer Rate Design Group composed of at least one representative from each customer rate class was convened to discuss and make recommendations about how revenue targets for each class should be established and what type of rate structure would be most appropriate for each class. The Group issued a report and made their recommendations both to the Citizens' Water Advisory Committee (CWAC) and to a Mayor and Council Subcommittee on Water Rates. The citizens who make up CWAC reviewed the suggestions from the Group and made a final recommendation to the Mayor and Council, which resulted in the Council's decision to change water rates.

Free Activity Book

Kids Learn Conservation With Doc Pete

Doc Pete (Tucson Water's long-time duck mascot, Pete the Beak) takes his younger friends on a coloring and activity adventure as they learn more about Tucson's water and conservation. Tucson Water still has a limited number of these fun activity books available, free to our customers. To get your copy, call 791-4331.



Creating a Safer Workplace

Tucson Water introduced the 5 Star Safety System, an internationally recognized safety program, in January 2000. We are excited about the many improvements to our safety processes and procedures since the 5 Star implementation. Most importantly, we are pleased with the employee involvement and the heightened safety awareness we have experienced as an organization. Our employees are thinking about safety more, and that has resulted in safer travel and work practices while serving our customers and our community.



On the Water Front

The recent tragic events in our country prompted several questions to us from customers about the security of our water system and what Tucson Water does to maintain it.

Although I can't go into detail for obvious reasons, I want to assure all our customers that Tucson Water maintains constant security, both automated and human, over our community's water supply.

Tucson Water staff are on duty 24-hours a day monitoring your water system. In addition, we have staff in the field every day, testing water quality and inspecting our facilities. We are trained and ready to respond quickly to any problem that might arise.

You can have confidence in our security measures and we will continue to work to ensure you and your families receive safe, quality water from a reliable water system.

David V. Modeer
Director, Tucson Water

Visit the Tucson Water Web Site at <http://www.ci.tucson.az.us/water/>

The Water Connection is produced by Tucson Water. To receive a copy, or to receive this information in Spanish, call 791-4331 or mail your request to:

Customer Information, P.O. Box 27210, Tucson, AZ 85726-7210

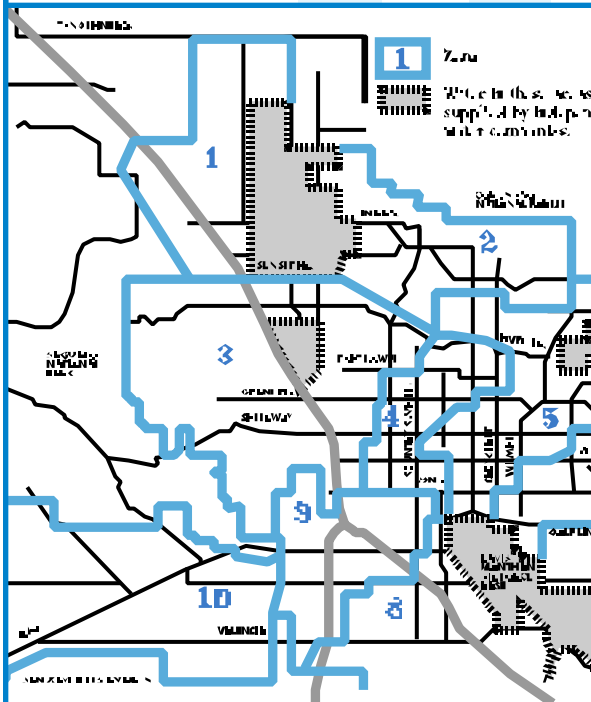
City of Tucson TTY number: 791-2639

Si usted desea este documento escrito en español,
por favor, llame al 791-4331.



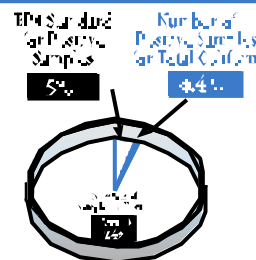
GROUNDWATER QUALITY REPORT - July 2001

Water Quality Zone		1	2	3	4	5	6	7	8	9	10	System Wide
Sodium (ppm)	Average Range	52 48-56	43 39-48	47 33-85	39 31-46	37 26-43	33 28-38	31 23-40	42 38-45	50 41-82	41 40-41	41 23-85
Mineral Content (ppm)	Average Range	385 202-527	255 239-271	307 188-535	222 182-266	245 198-278	230 183-259	219 161-298	316 250-443	262 222-372	223 219-228	260 161-535
Hardness (ppm)	Average Range	189 130-248	103 92-119	108 84-196	86 70-94	103 95-113	105 86-118	108 76-152	149 107-200	93 76-136	77 76-78	107 70-248
pH (units)	Average Range	7.5 7.3-8.1	7.9 7.5-8.1	7.7 7.4-8.0	7.9 7.6-8.1	7.6 7.0-8.0	7.6 6.8-8.2	7.7 7.3-8.1	7.7 7.2-8.0	7.9 7.6-8.1	8.0 7.8-8.1	7.8 6.8-8.2
Temperature (deg F)	Average Range	83 78-91	88 85-91	86 76-95	88 79-91	86 76-96	84 72-93	85 77-91	86 79-90	88 82-95	89 86-92	86 72-96

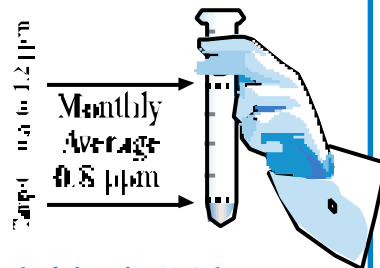


COLIFORM BACTERIA TESTING RESULTS - July 2001

Groundwater Quality Report



Chlorine Level Average



"PPM" means one part per million & is about the same as one second of time in 11.6 days.

To give you a more accurate measurement of the water quality in your neighborhood, the Tucson Water service area has been divided into 10

zones based on differences in water pressure and water quality. For a detailed description of the zone boundaries, call 791-4331.